

Calendar No. 424

83rd CONGRESS
1st Session

SENATE

REPORT
No. 448

PROMOTING THE ORDERLY TRANSFER OF THE EXECUTIVE
POWER IN CONNECTION WITH THE EXPIRATION OF THE TERM
OF OFFICE OF A PRESIDENT AND THE INAUGURATION OF A
NEW PRESIDENT

APR. 23, 1963.—Ordered to be printed

Mr. JACKSON, from the Committee on Government Operations,
submitted the following

REPORT

[To accompany H.R. 4638]

The Committee on Government Operations, to whom was referred the bill (H.R. 4638) to promote the orderly transfer of the Executive power in connection with the expiration of the term of office of a President and the inauguration of a new President, having considered the same, report favorably thereon, without amendment, and recommend that the bill do pass.

PURPOSE

This bill would vest in the Administrator of General Services the authority to provide, upon request, to each President-elect and each Vice-President-elect necessary services and facilities, including suitable office space, payment of staff salaries, travel expenses, communications services, printing and binding, and postage, subject to appropriations provided therefor, during the transition period between election and inauguration. The bill also would authorize the Administrator of General Services to provide, upon request, to each former President and each former Vice President, for a period not to exceed 6 months from the date of the expiration of his term of office as President or Vice President, for use in winding up the affairs of his office, similar services and facilities which shall be in addition to those authorized by the terms of 3 U.S.C. 102, note.

The bill, as introduced in its original form, was amended by the House of Representatives in several minor respects in order to clarify some of its provisions, and an amendment was also included to provide

a limitation on appropriations for the purposes of the bill of \$1,300,000 in any 1 fiscal year.

Under existing law (Public Law 85-745, Aug. 25, 1958, 72 Stat. 838, 3 U.S.C. 102, note), former Presidents are authorized for life a monetary allowance of \$25,000 per annum, an office staff provided by the Administrator of General Services to be paid an aggregate of no more than \$50,000 per annum, suitable office space, and free conveyance of mail within the United States and its territories and possessions. H.R. 4638 would authorize, in addition thereto, for former Presidents, in connection with winding up the affairs of office and for a 6-month period, only, office space, compensation for staff personnel and experts, travel expenses for himself and members of his staff, communications, printing and binding, and postal expenses. These latter benefits would also extend, for the 6-month period, the same benefits to former Vice Presidents who are not now covered by existing law.

BACKGROUND

The proposed legislation is requested by the President and is based upon recommendation No. 8 of the President's Commission on Campaign Costs established by Executive Order 10974 of November 8, 1961. The recommendation reads as follows:

In 1952-53, the cost to a special Republican committee of the transition period between the election and the inauguration exceeded \$200,000. In 1960-61, the cost to the Democratic National Committee totaled at least \$360,000. These funds were used largely to pay for office space, communications, staff salaries, and transportation. These costs have increased the financial pressures on the parties. They are not partisan costs, however, and they should not be a charge on the parties. The persons primarily involved are no longer candidates for office; they are the President-elect and Vice-President-elect of the United States.

We endorse proposals to "institutionalize" the transition from one administration to another when the party in power changes. Important reasons for doing so exist wholly aside from the costs to the parties. The new President must select and assemble the staff to run his administration, and they in return must prepare themselves for their new responsibilities.

We recommend that the outgoing President be authorized to extend needed facilities and services of the Government to the President-elect and his associates. We also recommend that funds be appropriated, to be spent through normal governmental channels, for that purpose.

In its report (H. Rept. 301) to the House, the House Committee on Government Operations stated:

This bill deals with the transfer of Executive power when there is to be a change of administration. It is related to the problem of campaign financing because it was estimated by the Commission that in 1952-53, the cost of a special Republican committee of the transition period between the election and the inauguration of President Eisenhower exceeded \$200,000. In 1960-61, the cost to the Democratic

National Committee for the transition period preceding the inauguration of President Kennedy totaled at least \$360,000. Other costs were borne by private individuals and groups. There may have been a time in American history when a President could take power with few preliminaries. But the size and complexity of our Federal Government today, to say nothing of the difficult domestic and international problems that the President must face, make it a vital necessity that the machinery of transition be as smooth as possible and that sufficient resources are at hand to properly orient the new national leader in whatever manner is required.

The President-elect must make his plans and select his staff, and we should recognize these as legitimate functions of Government and as legitimate expenses of Government. Under present conditions, a new President, in one sense, begins working for the Government the morning after the election.

This committee is aware that both President-elect Eisenhower and President-elect Kennedy were given the cooperation of their predecessors and access to what information they needed. This is as it should be. But the time has come to formalize the process. To leave these matters to the discretion of the existing President and the President-elect could conceivably have unfortunate results. We should guard against the possibility of noncooperation, remote as it may be.

The limitation of \$1,300,000 for expenditures in any one fiscal year seems a reasonable one in view of the estimates presented. This can be changed by future legislation if experience so dictates. Any request for funds must, of course, be strictly justified before the appropriation is made by Congress.

A question was raised during the hearing on the bill about the possible use of the authority here granted to pay the expenses of office-seekers who on their own initiative may visit the President-elect or Vice-President-elect. It is the committee's intention that the funds made available to the President-elect and the Vice-President-elect shall not be used to pay the transportation and other costs of office-seekers and others who visit them on their own initiative.

Similarly, in a case where an incumbent President is re-elected but a new Vice President is chosen it would not seem necessary that the provisions of this bill should apply. An incumbent President would be in a position to provide assistance to his own Vice-President-elect.

HOUSE ACTION

H.R. 4638 was amended in the House of Representatives, upon recommendations of the House Committee on Government Operations. The following extracts from House Report 301, set forth an explanation of the amendments, and a summary of the provisions of the bill, as amended.

ORDERLY TRANSFER OF THE EXECUTIVE POWER**ORDERLY TRANSFER OF THE EXECUTIVE POWER**

5

No. 1. The purpose of this amendment is to enable members of the office staffs of the President-elect and Vice President-elect to be covered by the named acts for purposes of retirement, workmen's compensation, life insurance and other benefits even though they are not Government employees. Persons appointed for less than a year are excluded from coverage by Civil Service Commission regulations except where coverage is retained by continuity with prior Federal employment. Persons temporarily appointed, without continuity (as would be the case here), would be entitled to credit for retirement purposes if they later accrued coverage in other employment.

No. 2. This is a rewriting of this section for technical reasons only. It authorizes the payment of travel expenses and subsistence allowances.

No. 3. This is also a technical rewriting and provides for payment of printing and binding.

No. 4. This amendment strikes the language "free of charge" as unnecessary and adds "air mail".

No. 5 and No. 6. Have the same effect as No. 4.

No. 7. This amendment provides that the staffs of outgoing Presidents and Vice Presidents, whether new appointees detailed from other departments, shall have the same status as those of Presidents-elect and Vice Presidents-elect. It strikes the language in the bill and the second sentence of the amendment have the effect of delaying the operations of the 1958 law relating to former Presidents except for air allowance or the pension for their widows. The GSA reported that "H.R. 4638 provides for furnishing services and facilities similar to those specified in the 1958 act. The simultaneous administration of two acts, providing for similar services, would generate considerable fiscal and management problems requiring a former President to signate under which act he was requesting services and facilities."

No. 8. This incorporates a limitation on appropriations for the purpose of this bill of \$1,300,000 in any one fiscal year.

SUMMARY OF PROVISIONS

Section 1 of the bill gives the title: "The Presidential Transition Act of 1962."

Section 2 declares its purpose to promote the orderly transfer of Executive power during the several months of transition from one administration to the other. It states the intent of Congress that all officers of the Government conduct their affairs so as to avoid disruptions and to gently promote the orderly transfer of power.

Section 3 authorizes certain services to be provided by the General Services Administration to Presidents-elect and Vice Presidents-elect, such as office space, compensation for staff personnel, and experts, travel expenses, communications, postage, etc. The Administrator of the General Services Administration is given the responsibility of ascertaining apparent successful candidates for the Offices of President

and Vice President following the general elections. The President-elect and Vice-President-elect may each designate an assistant to make designations or findings of necessity for services and facilities. Not more than 20 percent of the total expenditures may be confidential. The provisions of the bill will not be available to a President-elect or Vice-President-elect if either or both is an incumbent of that office.

Section 4 authorizes necessary services and facilities to outgoing Presidents and Vice Presidents for a period of 6 months in order to wind up their affairs.

Section 5 authorizes the Congress to appropriate funds not exceeding \$1,300,000 to carry out the purposes of the act.

PRESIDENT'S COMMISSION ON CAMPAIGN COSTS**MEMBERS OF THE COMMISSION**

Alexander Heard, dean of the Graduate School, University of North Carolina; author of "The Costs of Democracy."

V. O. Key, Jr., professor of government, Harvard University; author of various books on American politics.

Dan A. Kimball, president, Aerojet-General Corp.; Secretary of the Navy, 1951-52; chairman, Los Angeles Host Committee for 1960 Democratic National Convention; chairman, Southern California Democratic Committee for Kennedy-Johnson, 1960.

Malcolm C. Moos, adviser to the Rockefeller Bros. on public affairs; professor of political science, Johns Hopkins University; administrative assistant to President Eisenhower, 1953-61; chairman, Republican State Central Committee of Baltimore, 1954-58.

Paul A. Porter, partner, Arnold, Fortas & Porter; Chairman, Federal Communications Commission, 1944-46; director of campaign publicity, Democratic National Committee, 1944.

Neil O. Staebler, Democratic national committeeman from Michigan; chairman, Michigan Democratic State Central Committee, 1950-61; chairman, Democratic National Advisory Committee on Political Organization, 1955-60.

Walter N. Thayer, president, New York Herald-Tribune; member, Finance Committee, Citizens for Eisenhower-Nixon, 1952; member, United Republican Finance Committee of New York, 1954-60, treasurer, 1958-60; national finance chairman, Volunteers for Nixon-Lodge, 1960.

John M. Vorys, partner, Vorys, Sater, Seymour & Pease; Member, U.S. House of Representatives, 1939-59; Ohio member, National Republican Congressional Committee, 1949-54.

James C. Worthy, partner, Cressap, McCormick & Paget; Assistant Secretary of Commerce, 1953-55; president, United Republican Fund of Illinois, 1959-60; president, Republican Citizens League of Illinois, 1961-62; member, Republican National Finance Committee, 1959-

ORDERLY TRANSFER OF THE EXECUTIVE POWER

LETTER OF TRANSMITTAL FROM THE PRESIDENT OF THE
UNITED STATES TO THE PRESIDENT OF THE SENATE AND
THE SPEAKER OF THE HOUSE OF REPRESENTATIVES

THE WHITE HOUSE, May 29, 1962.

HON. LYNDON B. JOHNSON,
President of the Senate,
Washington, D.C.

HON. JOHN W. MCCORMACK,
Speaker of the House of Representatives,
Washington, D.C.

DEAR MR. PRESIDENT (DEAR MR. SPEAKER): The election of the President of the United States is the supreme expression of the free choice of the American people. By our free choice, we vote and in other ways participate in the politics of our democracy. One form of political participation is the contribution of money to support the candidates and party each of us prefers.

For the citizens' free choice to be exercised meaningfully, they must be well informed about opposing candidates, parties, and issues. To achieve this, candidates and parties must have the financial means to carry their views to the voters. In a constituency as vast as the Presidential, the costs of reaching the electorate are high, necessarily putting great financial burdens on the candidates and the parties they represent at the polls.

In these days when the public interest demands basic decisions so essential to our security and survival, public policy should enable presidential candidates to free themselves of dependence on large contributions of those with special interests. Accordingly, it is essential to broaden the base of financial support for candidates and parties. To accomplish this, improvement of public understanding of campaign finance, coupled with a system of incentives for solicitation and giving, is necessary.

In October 1961, I appointed a distinguished, bipartisan Commission on Campaign Costs to take a fresh look at the problems of financing presidential campaigns. I am gratified at the enthusiastic bipartisan reception accorded the Commission's unanimous report, and I am pleased to transmit herewith legislation designed to carry out five of its important recommendations. Other recommendations do not require legislation, and I intend to help carry them out through other means. I now ask you to join me in supporting in broad outline the constructive proposals of the Commission, which have received the approval of both majority party chairmen and of former Presidents Harry S. Truman and Dwight D. Eisenhower, and former presidential candidates, Thomas E. Dewey, Adlai E. Stevenson, and Richard M. Nixon.

Although the Commission devoted its attention to the problems of campaign costs for presidential and vice presidential candidates only and its recommendations go only to such campaigns, it pointed out that "... it is our view that the measures we propose would have a desirable effect

ORDERLY TRANSFER OF THE EXECUTIVE POWER

on all political fundraising." The Congress may therefore wish to consider the applicability of any of the recommended practices to campaigns other than presidential or vice presidential. It may also wish to explore the subject of campaign financing for elections other than presidential and vice presidential either through standing committees, a special committee, or by means of a specially constituted advisory commission of the type that has produced the report upon which the proposals I am recommending today rest.

If the financial burdens of presidential campaigns are to be widely shared, then some system of incentives must be established to encourage broad solicitation and giving. The Commission recommended for an experimental period including two presidential elections, and I propose a system of tax incentives for political contributions, which would include two alternatives available to the taxpayer, as follows: (1) A tax credit against Federal income tax for 50 percent of contributions up to a maximum of \$10 in credits a year and (2) a tax deduction for political contributions for the full amount of the contribution up to a maximum of \$750 per tax return per year (the Commission in its report recommended \$1,000). The contributions eligible for tax benefits would include those made to the national committee of a political party and to one political committee designated by the national committee to receive such contributions in each State. The tax incentive program is an effort to encourage political giving as educational and charitable giving have been encouraged for many years by tax benefits. It is designed to give party solicitors an additional tool to help stimulate individuals to contribute money, in nonelection as well as election years.

The Commission stated that if the measures it recommended do not accomplish their purposes, alternative approaches would have to be examined, and it recommended that consideration be given to the matching incentive plan outlined in its report. I urge the Congress to study this plan, since it is an original and imaginative approach and would encourage concentrated party effort in broadening the financial base of presidential campaigns. Under the matching incentive plan, contributions in amounts of \$10 or less per person raised by designated political committees would be deposited by those committees with the U.S. Treasury, where the money would be matched by a like sum from Government appropriations. The combined total would be used to pay authorized types of expenses, payments being made by Government check direct to sellers of campaign goods and services. The total sum to be matched could be limited by statute.

To increase public confidence in the ways campaigns are financed, I urge the repeal of present Federal limits on receipts and expenditures of interstate political committees and on the amounts individuals can contribute to such committees for use in presidential nominations and election campaigns. Since present ceilings have proven to be ineffective

ORDERLY TRANSFER OF THE EXECUTIVE POWER

and existing practices violate the spirit, if not the letter, of the law, an effective system of disclosure and publicity to reveal where money comes from and goes in such campaigns has been proposed. Full and effective disclosure is the best way to control both excessive contributions and unlimited expenditures.

One bill I am submitting would require candidates for President and Vice President to report contributions and expenditures in nomination and election campaigns. As one who participated in a presidential campaign, I heartily endorse this recommendation. I also endorse the proposition that all political committees campaigning for candidates for President and Vice President, and raising or spending as much as \$2,500 in a year, should be required to file periodic campaign fund statements.

Furthermore, reporting requirements should go beyond present law in two important respects. Reporting requirements should reach individuals and families contributing or spending, singly or in combination, \$5,000 or more per year in the aggregate, in connection with the nomination or election campaign of one or more candidates for President or Vice President. And for reasons inherent in the dramatic growth of bipartisan citizenship and public affairs programs undertaken in recent years by corporations, labor unions, trade associations, and other groups, the Commission has recommended that reports be required of both individuals and groups spending \$5,000 or more for bipartisan or multipartisan political activities in any year.

It is essential that all reports be submitted to a Registry of Election Finance, a central repository having responsibility to receive, examine, tabulate, summarize, publicize, and preserve the reported data. The proposed legislation would place the registry under the Comptroller General, with a registrar, appointed by him, and with a bipartisan Board of Advisers providing guidance.

Radio and television broadcasts are an essential but expensive means of reaching a vast electorate. To help reduce costs for presidential candidates, I propose the temporary suspension in 1964 of the "equal time" provision in section 315 of the Communications Act with respect to presidential and vice presidential candidates. A similar suspension in 1960 worked well, and the broadcasting industry is eager to provide free time and facilities for such political uses. I believe temporary suspension, rather than permanent repeal, desirable, so that the Congress can periodically review broadcasting and campaigning practices that occur under ever-changing conditions.

Traditionally, the political parties have had to pay the costs of the President-elect and Vice-President-elect during the transition period between the election and the inauguration of a new administration. It is entirely desirable and appropriate that the Federal Government provide funds for paying the reasonable and necessary costs of installing a new administration in office. There are important reasons,

ORDERLY TRANSFER OF THE EXECUTIVE POWER

aside from costs, to institutionalize the change in party power from one administration to another. An incoming President must select and assemble responsible public officials who must prepare themselves for their new responsibilities. Thus I recommend that the outgoing President be authorized to extend needed facilities and services of the Government to the President-elect and his associates. For this purpose, funds should be appropriated to be spent for specified activities through normal Government channels, as the draft legislation provides.

The political parties would be substantially assisted in the registration of voters if the Post Office Department were authorized to cooperate with them by making available change-of-address records. Post offices already extend such cooperation to local election authorities.

The problems of political finance are not limited to any political party, but are common to all, and all will benefit from action on the legislation herewith transmitted. Enactment of these proposals will go a long way to improve the political climate.

Copies of the five draft bills are attached.

Sincerely,

JOHN F. KENNEDY.